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SUBJECT: SAUDI ARABIA PLANNING TO DEVELOP NUCLEAR ENERGY?

Classified By: A/DCM Laird Treiber for reasons 1.4 (b) and (d).

- 11. (SBU) On September 9, Dr. Prince Turki bin Saud bin Mohammed Al-Saud, Vice President for Research Institutes at the King Abdulaziz City of Science and Technology (KACST), gave Econ Counselor an overview of Saudi plans to develop a nuclear industry. Turki noted that Saudi Arabia faces a significant challenge in meeting expected domestic electricity demand over the coming decades. The Kingdom does not have enough natural gas to meet both surging demand for electricity generation and increasing demand for feedstocks to support its petrochemical industry. Likewise, while Saudi Arabia would very much like to develop its solar energy resources over the long-term, Turki doubted that solar would be able to meet much of the increase in demand over the short to medium term. Hence, Turki concluded developing nuclear energy makes a lot of sense for Saudi Arabia.
- 12. (C) While there is a real need to begin learning about this industry, Turki stressed that Saudi Arabia will "go slow," making sure that it understands all the implications before deciding to develop a nuclear power industry. Turki noted that there are a number of technical challenges to proceeding and said Saudi Arabia will have to prepare carefully before it decides to embark on this process. Turki said it was critical for Saudi Arabia to expand its understanding of high-tech areas as quickly as possible to support the country's long-term development.
- 13. (U) Several Saudi officials have commented publicly that the Kingdom plans to develop nuclear power sooner rather than later. At the end of August, Water and Electricity Minister Abdullah bin Abdul-Rahman Al-Hussein said that Saudi Arabia is working on plans for its first nuclear plant. Several local papers report these plans are accelerating and note keen Russian and French interest in supplying these needs. Local papers have reported that French President Sarkozy plans to sign a nuclear cooperation agreement when he visits Riyadh in mid-November.
- 14. (C) Turki reported that the French Government has recently stepped up its cooperation with KACST, and that a director of "one" of the KACST institutes will travel in October for an extended exchange trip in France. Turki did not name the institute, but KACST supervises the Saudi Atomic Research Institute.
- 15. (C) Comment: Post believes Saudi Arabia is serious about pushing nuclear technology. What is not yet clear is whether the SAG really is wrestling with how best to move forward. All individuals suggest that other countries are seriously

pursuing discussions with the Saudis on this matter. $\ensuremath{\mathsf{MUENCH}}$